



Office of the President

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January 12, 2004

Ms. Jennifer J. Johnson  
Secretary of the Board of Governors  
Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue  
Washington, DC 20551

Re: Docket No. R-1175

Dear Ms. Johnson:

Navy Federal Credit Union provides the following comments in response to the Federal Reserve Board's and **the** Federal Trade Commission's proposal to jointly adopt rules establishing effective dates for provisions of the Fair and Accurate Credit Transactions (FACT) Act that were not statutorily mandated. We do not **oppose** the Agencies proposal to establish **March 31, 2004 as the effective date** for the following sections:

- Section 156, regarding statute of limitations;
- Sections 312(d-f), **regarding** furnisher liability exceptions, **liability and enforcement, and** rules of construction;
- Section 313(a), regarding action concerning **complaints**;
- **Section** 611, regarding communications for employee investigations; and
- Section 811 which regards clerical amendments.

We agree with the Agencies' **assertion** that **the** above provisions **would** not require significant **changes** to current business **procedures**. The Agencies **also** propose to establish December 1, 2004 **as the effective date for the following provisions**:

- Section 112, concerning **fraud** alerts and active **duty** alerts;
- Section 114, **concerning** procedures **for the identification of possible instances of identity theft**;
- Section 115, concerning truncation of **the** social **security** number in a **consumer report**;
- Section 151(a)(1), concerning **the summary** of rights of **identity** theft victims;
- Section 152, **concerning** blocking of information resulting from identity theft;
- Section 153, concerning the coordination of identity theft complaint **investigations**;
- Section **154**, concerning the prevention of repollution of consumer reports;
- Section 155, concerning notice **by** debt collectors with respect to fraudulent information;
- Section 211(a) and (c), concerning **free** consumer reports;
- **Section** 212(a-d), concerning the disclosure of credit scores;

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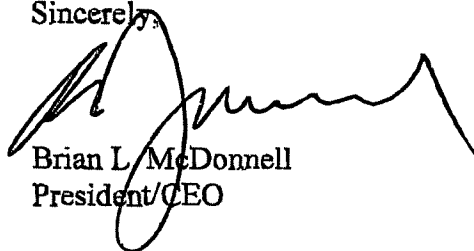
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- Section 213(c), concerning enhanced disclosure of the means available to opt-out of prescreened lists;
- Section 214(a), concerning affiliate sharing;
- Section 216, concerning the disposal of consumer report information and records;
- Section 217(a), concerning the duty to provide notice to a consumer;
- Section 311(a), concerning the risk-based pricing notice;
- Section 312(a-c), concerning procedures to enhance the accuracy and integrity of information furnished to consumer reporting agencies;
- Section 314, concerning improved disclosure of the results of reinvestigation;
- Section 315, concerning reconciling addresses;
- Section 316, concerning notice of dispute through reseller; and
- Section 317, concerning the duty to conduct a reasonable reinvestigation.

We do not oppose the establishment of December 1, 2004 as the effective date for these provisions. However, since rules have not yet been promulgated, we do not know the degree of operational changes that might be required. Implementation of the final rules regarding these provisions may indicate a need for regulatory flexibility as the requirements for credit unions become better understood. We encourage the agencies to remain flexible and carefully consider the burden on business' implementation efforts as they promulgate their rulemaking.

Navy Federal appreciates the opportunity to respond to the Federal Reserve Board's and the Federal Trade Commission's proposal to adopt rules establishing multiple effective dates for provisions of the Fair and Accurate Credit Transactions Act.

Sincerely,



Brian L. McDonnell  
President/CEO

BLM/pjm